

457

DEFERRED COMPENSATION PLAN
Benefit Withdrawal Packet



ICMA RETIREMENT CORPORATION
The Public Sector Expert

VP

This booklet contains the following forms:

- 457 Withdrawal Form
- 457 Direct Deposit Authorization Form
- 457 Beneficiary Designation Form
- 457 Deferred Compensation Plan Request for Benefit Illustrations
- Vantagepoint Traditional IRA Direct Transfer Form
- IRS Form W-4P

This packet allows you to:

- Take benefit withdrawals from your ICMA-RC 457 deferred compensation plan account.
- Transfer your ICMA-RC 457 deferred compensation plan account to a Vantagepoint Traditional IRA with ICMA-RC

Dear Participant:

The ICMA Retirement Corporation (ICMA-RC) offers you many choices for withdrawing assets from your Section 457 deferred compensation plan ("457 plan"). This packet provides the information you need for the following permitted options:

Periodic Payment Schedules – Allows you to retain your 457 account, including your current investment options and receive periodic payments based on a schedule of your choosing – which you may change based on changes in your retirement income needs.

Transfer to a Vantagepoint IRA – You may transfer all or a portion of your 457 account into ICMA-RC's Vantagepoint Traditional IRA. The Vantagepoint IRA offers competitive fees and a broad array of investment options, including our self-directed brokerage program, VantageBroker.

Immediate Retirement Annuity – You may use all or a portion of your 457 account to purchase a retirement distribution annuity. If you decide to use this option, you may take advantage of ICMA-RC's Income for Life Annuity Program.

Lump Sum Payment – You may receive a lump sum distribution of your entire account balance. Note that if you elect this option, your payment will be subject to 20% federal income tax withholding. State withholding may also apply.

Please refer to the following page for more information on these four withdrawal options and how to implement the option you select.

Please contact Investor Services at 1-800-669-7400 to obtain the proper forms if you would like to transfer your 457 assets to:

- (1) an ICMA-RC 457 plan with another employer
- (2) an ICMA-RC 401 plan
- (3) another plan provider with whom you maintain an IRA, 401 plan, 403(b) plan, or 457 plan account

You should also call Investor Services for information about Emergency Withdrawals and Small Balance Account ("De Minimis") withdrawals.

Note: You do not have to choose a date for beginning your payment(s) until you are ready for your payment(s) to start. In addition, you generally do not have to begin receiving payments from your plan until the later of April 1 of the year following the year you turn age 70 1/2. If you remain employed after 70 1/2 with the employer who sponsors your 457 plan you do not have to begin receiving payments until April 1 of the year following the year you leave employment with that employer.

If you are changing jobs or retiring you are likely facing many decisions, including some difficult financial decisions. Our Investor Services Specialists are prepared to assist you with questions about withdrawals or transfers from your ICMA-RC 457 plan account, transfers to other retirement plans, or investments available under your 457 account or under ICMA-RC's Vantagepoint IRA. Please do not hesitate to contact us toll-free at 1-800-669-7400 or via our VantageLink website at www.icmarc.org.

Sincerely,
Investor Services



ICMA RETIREMENT CORPORATION

The public service Vantagepoint® since 1972

ICMA-RC Services, LLC is a broker-dealer affiliate of the ICMA Retirement Corporation. Member NASD and SIPC.

Your 457 Plan Withdrawal Options “At A Glance”

Withdrawal Option	Description	Considerations	For More Information
Periodic Payment Schedule	<p>Allows you to select a payment schedule and frequency of your choosing.</p> <p>Payments can be structured as a fixed amount (e.g. \$300 per month) or over a fixed period of time (e.g. over 30 years).</p> <p>Many other options are available.</p>	<p>Your payments from your 457 account may be stopped, restarted, increased, or decreased based on changes in your retirement income needs.</p> <p>457 plan assets that remain in a 457 plan until paid are never subject to a 10 percent early withdrawal penalty. However, if you roll assets into your 457 plan from another type of plan (401, 403(b) or Traditional IRA), these rolled in assets will be subject to the penalty tax if you subsequently withdraw them from your 457 plan before you have reached age 59 ½ (or have not met another exception to the 10 percent penalty).</p> <p>Payments scheduled over less than 10 years will generally be subject to 20% withholding. (See <i>Special Tax Notice Regarding Plan Payments</i> included in this packet for more details.)</p> <p>You do not have to begin receiving payments from your plan until the later of April 1 of the year following the year you (1) turn age 70 ½ or (2) leave employment with the employer who sponsors your 457 plan.</p>	<p>To establish a periodic payment schedule please refer to Choosing a Payment Schedule on page 4.</p>
Transfer to a Vantagepoint IRA	<p>You may transfer all or a portion of your 457 account to a Vantagepoint Traditional IRA. (Transfers to Roth IRAs are not permitted by law.)</p>	<p>Transferring to an IRA may be of interest if you want to consolidate your retirement savings.</p> <p>Note that when you transfer 457 assets to a Traditional IRA, the assets take on the features of the IRA. For example, withdrawals from Traditional IRAs prior to age 59 ½ are subject to a 10% penalty tax. This 10% penalty tax does not apply to assets that remain in 457 plans.</p> <p>ICMA-RC's Vantagepoint IRA is the only IRA to offer the Vantagepoint Funds, the same funds you have become familiar with under your 457 plan as well as a full range of name brand mutual funds. The Vantagepoint IRA has competitive fees and if you are interested in an even wider range of investment choices, you can take advantage of VantageBroker, our self-directed brokerage option, which provides access to over 5,000 mutual funds, in addition to individual stocks and bonds.</p>	<p>If you would like to transfer to a Vantagepoint Traditional IRA please refer to Transferring to a Vantagepoint Traditional IRA on page 13.</p> <p>If you would like to transfer to a plan other than a Vantagepoint IRA, please contact Investor Services at 1-800-669-7400 to obtain the proper forms.</p>
Immediate Retirement Annuity	<p>You may use all or a portion of your 457 account to purchase a retirement annuity which provides payments throughout your life.</p>	<p>Few participants elect this option because most public employees will receive benefit payments throughout their lives through their pension plans and social security. However, some participants like the security of receiving a payment throughout their life.</p> <p>If you decide to use this option, you may take advantage of ICMA-RC's Income for Life Annuity Program. For more details on this option, please contact Investor Services at 1-800-669-7400.</p>	<p>For more details on this option, refer to Retirement Annuities, page 5.</p>
Lump Sum Payment	<p>You may receive a lump sum distribution of your entire account balance.</p>	<p>Note that if you elect this option, the entire amount will be immediately taxable and subject to 20% withholding by the Internal Revenue Service.</p>	<p>To request a lump sum payment, refer to One-Time Withdrawals on page 5.</p>

This chart is intended only to provide very basic information concerning four of the withdrawal options offered by ICMA-RC under your 457 plan. Please refer to the tabs indicated for more details on the withdrawal option(s) in which you are interested.

Please contact Investor Services at 1-800-669-7400 to obtain the proper forms if you would like to transfer your 457 assets to: (1) an ICMA-RC 457 plan with another employer, (2) an ICMA-RC 401 plan, or (3) another plan provider with whom you maintain an IRA, 401 plan, 403(b) plan, or 457 plan account.

457 Deferred Compensation Plan Withdrawal Packet Instructions

- ◆ *The 457 Deferred Compensation Plan Benefits Withdrawal Form* is used by participants to set their payment schedule.
- ◆ *The 457 Direct Deposit Authorization Form* is used to initiate direct deposit of disbursements electronically into the payee's bank account.
- ◆ *The 457 Designation of Beneficiary Form* is used to designate your beneficiary (ies) for your retirement account.
- ◆ *The 457 Request for Benefit Illustrations Form* is used to request illustrations of possible benefit payouts. This is offered as a service to all participants in ICMA-RC-administered plans.
- ◆ *The Vantagepoint Traditional IRA Direct Transfer Form* is used to transfer your ICMA-RC 457 plan assets to a Vantagepoint Traditional IRA with ICMA-RC.

Type of Withdrawal	Please Submit
Retirement - Payment to you the participant	<input type="checkbox"/> 457 Benefits Withdrawal Form <input type="checkbox"/> IRS Form W-4P (if applicable) <input type="checkbox"/> State Withholding Form (if applicable) <input type="checkbox"/> 457 Direct Deposit Authorization Form (if applicable)
Separation from Service - Payment to you the participant	<input type="checkbox"/> 457 Benefits Withdrawal Form <input type="checkbox"/> IRS Form W-4P (if applicable) <input type="checkbox"/> State Withholding Form (if applicable) <input type="checkbox"/> 457 Direct Deposit Authorization Form (if applicable)
Transfer Funds to a Vantagepoint IRA	See the section Transferring to a Vantagepoint IRA in this Packet
Small Balance Withdrawal (\$5,000 or less in account value and still employed)	Please call toll-free 1-800-669-7400 to see if you are eligible for a small balance withdrawal.
Domestic Relations Order (DRO)	Please call toll-free 1-800-669-7400 and request to speak to ICMA-RC's Legal Department about a DRO.
Beneficiary Payments	Please call toll-free 1-800-669-7400 and request a 457 Deferred Compensation Plan Beneficiary Withdrawal Packet.
Transfer funds to another plan	Please call toll free 1-800-669-7400 to request the proper forms.

Your withdrawal request must receive employer authorization if this is your first withdrawal or transfer out of your account



Your Benefit Payments

GENERAL INFORMATION

Considering Your Withdrawal Benefits

With an ICMA Retirement Corporation (ICMA-RC) administered retirement plan, you have many flexible benefit payment options.

How and when you choose to make withdrawals from your deferred compensation account are important decisions you must make. There are many considerations—the form of payment, the tax consequences, and your other retirement income.

You are eligible to begin benefit payments from your account at retirement. Funds may also be withdrawn from your account when you leave employment either by resignation or release by employer.

Whether you are planning a benefit payment schedule for retirement or considering withdrawals upon termination, you should review several facts before you take your benefits from your account:

- You only pay taxes on money you receive.
- Funds remaining in your account have the potential for earnings until they are withdrawn, and your contributions plus all of your earnings are not taxed until you receive them.
- You may continue to select investments for assets remaining in your account as allowed by your employer's plan and you will receive statements as you did while actively contributing to your account.
- Any remaining account balances will be available for distribution to your beneficiary(ies) after your death.
- You will be subject to 20 percent federal tax withholding if you elect to directly receive funds eligible for rollover to another employer plan or an IRA. Please consult the *Special Tax Notice Regarding Plan Payments* included in this packet.
- You may be subject to a 10 percent tax penalty for premature withdrawal on any qualified plan funds you may have transferred to your 457 account.

Applications for withdrawals, the *Special Tax Notice Regarding Plan Payments*, tax withholding forms, direct deposit authorization and benefit illustration request forms are included in this packet to make the withdrawal process as easy as possible. Please call ICMA-RC Investor Services at 1-800-669-7400 for additional forms or further information.

Leaving employment

If you terminate employment—whether by resignation, release by employer, disability, or retirement—you are eligible to receive benefit payments from your account.

To request benefit payments upon leaving employment, complete the *457 Deferred Compensation Plan Benefit Withdrawal Form* and submit it to your employer for approval. Submitting the withdrawal request to ICMA-RC prior to employer approval may result in a payment delay. Note that your employer only needs to approve your initial withdrawal request. Subsequent requests may be submitted without employer approval.





CHOOSING A PAYMENT DATE

You have the flexibility to choose a beginning payment date at any time after leaving employment. Your beginning payment date must be no later than April 1 of the calendar year following the year (1) in which you reach age 70 ½ or (2) you leave employment, whichever is later. Please notify ICMA-RC of your beginning payment date selection at least two weeks prior to that beginning payment date.

If your account balance is \$1,000 or more and you are not required to take a minimum distribution, ICMA-RC will not commence distributions without your consent and your employer's approval (for the initial payment only).

CHOOSING A PAYMENT SCHEDULE

We recommend that you select your payment schedule at least two weeks prior to your beginning payment date. You may change your payment schedule at any time. The payment schedule you choose should take into account all other income you will have during retirement: Social Security, spouse's income, investment income, and your pension plan.

As an added service to participants, we offer benefit illustrations free of charge. Benefit illustrations summarize the potential future value of your account and available payment schedules, based upon the amount you contribute, estimated earnings, and other factors. Benefit illustrations may be requested from ICMA-RC by completing the *457 Request for Benefit Illustrations Form* included in this packet.

20% Withholding: ICMA-RC is required to apply mandatory 20% federal income tax withholding on most payment schedules of under 10 years. You should give this consideration as you determine your payment schedule. Of course, if your payments are subject to 20% withholding, depending upon your overall tax situation, you may receive the withheld tax back as a refund when you file your tax return for that year. State tax withholding may also apply. Please see "Important Internal Revenue Service Information" which follows in this brochure and *Special Tax Notice Regarding Plan Payments*.

Periodic Installment Payments

You may choose a payment method including a series of periodic installment payments or a partial payment with periodic installment payments to follow.

You may take your scheduled periodic installment payments in the following manner:

Scheduled Installment Payments – ICMA-RC can make monthly, quarterly, semi-annual (at 6-month intervals only), or annual payments to you until your assets are fully distributed. Periodic installment payments include:

- Equal payments chosen by you to continue until the account is exhausted
- Equal payments estimated to exhaust the account over a specified period of years:
 - You may choose to estimate over a specified number of years, or
 - Select the number of years according to your life expectancy at the time your withdrawal is to begin. (ICMA-RC will use the IRS tables published at the time your withdrawal form is processed. You may use either single or joint life tables. If you choose joint life, you must provide your beneficiary's date of birth and relationship to you.)

Fractional Payments – You choose the number of payments you want to receive. This schedule will last for exactly the time period you choose. Payment amounts will fluctuate up and down with market conditions depending upon the fund(s) in which you are invested.

Partial Payments with Periodic Installment Payments to Follow – You may receive a payment for a portion of your account, then request periodic installment payments to start at a later date.

Automatic Cost-of-Living Adjustment (COLA)

An automatic cost-of-living adjustment (COLA) is available for scheduled installment payments (not Fractional Payments). The COLA option may be appealing to participants who want their payments to keep pace with inflation. The COLA will be based on the 12-month percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) through the end of the third quarter of the previous year. Increases in periodic payments will be made beginning the following January.*

One-Time Withdrawals

You may elect to take your entire account balance or a portion of your account balance as a one-time payment.

Lump Sum Withdrawal of Entire Account – Note that if you receive a lump sum withdrawal of your entire account, the entire amount will be immediately taxable (see exception below). In addition, ICMA-RC is required to apply mandatory 20% federal income tax withholding on the payment. State income tax withholding may also apply.

Partial Payment – You may receive a single payment for a portion of your account. As with the lump sum withdrawal above, this payment is immediate taxable (see exception below), and subject to mandatory 20% federal income tax withholding.

If you roll over the lump-sum withdrawal to a 457 plan, 401 plan, 403(b) plan, or Traditional Individual Retirement Account (IRA) within 60 days of distribution, your assets will continue to retain their tax-deferred status, and as a result, will not be considered a taxable distribution.

Retirement Annuities

ICMA-RC can also help you arrange the purchase of an annuity through an insurance company at group rates. Annuities are available for your life with a guaranteed number of years of payout, or the joint lives of you and a survivor. Please call our Investor Services at 1-800-669-7400 to speak with an Annuity Specialist for additional information and forms.

Withdrawals Before Age 59 1/2

457 plan assets that remain in a 457 plan until paid are never subject to a 10% early withdrawal penalty under IRC Section 72(t). However, if you roll assets into your 457 plan from a another type of plan (401, 403(b), or Traditional IRA), these rolled in assets may be subject to the penalty tax if you subsequently withdraw them from your 457 plan before you have reached age 59 1/2 .

If you terminate between (1) the year you reach 55 and (2) 59 1/2, and withdraw your assets after termination, you will not be subject to a 10% penalty.

* Be aware that by choosing payments of a specified amount, increased by COLA, your account will deplete faster than if the COLA option is not elected. For determining beginning payment amounts, cost-of-living increases are estimated assuming a constant cost-of-living increase of 3%. Actual changes in the CPI-U of more than 3% will result in fewer payments than estimated for payment schedules with the COLA option; actual CPI-U changes of less than 3% will result in more payments for these schedules. The COLA option may not be a feature available under your employer's plan, so please check with your employer before considering this option.





If you terminate prior to the year you reach age 55, and withdraw assets rolled in from other types of retirement plans (401, 403(b) or Traditional IRA), these assets will be subject to a 10% penalty, unless you meet the following exception.

- receive at least annual equal (or almost equal) payments over your life expectancy or the life expectancy of you and your beneficiary, and
- receive the equal payments for at least five consecutive years or until age 59 $\frac{1}{2}$, whichever is later.

Example 1: You are age 58 now and you terminated employment at age 52. In order to receive payments not subject to the additional 10 percent early distribution penalty tax, you would need to take at least annual equal payments until you reach age 63.

Example 2: You are age 52 now and you terminated employment at age 52. In order to receive payments not subject to the additional 10 percent early distribution penalty tax, you would need to take at least annual equal payments until you reach age 59 $\frac{1}{2}$.

There may be other things to consider when calculating a qualifying schedule. You should seek help in calculating one of these schedules. Feel free to call the ICMA Retirement Corporation at 1-800-669-7400 and ask to speak to one of our Investor Services representatives. Ultimately you are responsible for selecting a schedule that is compliant with the 72(t) regulation, a non-compliant schedule may mean assignment of additional taxes as well as penalties by the Internal Revenue Service.

Once you have determined your schedule, check "Option A-Scheduled Installment Payments" on the *457 Deferred Compensation Plan Benefit Withdrawal Form* to notify us of your selection. Additionally you must check the 72(t) box to indicate you want this schedule.

Remember, you will not be able to change the payment amount for at least five years or until you reach age 59 $\frac{1}{2}$, whichever is later.

Internal Revenue Code Minimums

Any payments you receive for and after the year you turn 70 $\frac{1}{2}$ must meet the minimum withdrawal requirements of the Internal Revenue Code (explained in IRS Publication 590). After you reach age 70 $\frac{1}{2}$, ICMA-RC will test your schedule of payments and advise you if your schedule fails to meet the required minimum amount for withdrawals. Minimum required distributions are not eligible rollover distributions and are not subject to 20 percent withholding.

If you are not age 70 $\frac{1}{2}$ but wish to schedule minimum payments, we will issue payments made prior to age 70 $\frac{1}{2}$ using the same calculation (account balance divided by applicable life expectancy) as required after age 70 $\frac{1}{2}$. You must request this under "Option F-Other Payment Schedule" on the *457 Deferred Compensation Plan Benefit Withdrawal Form* by writing in "IRS Minimum-Recalc Single Life Expectancy" or "IRS Minimum-Recalc Joint Life Expectancy". If you choose joint life, please provide your beneficiary's date of birth and relationship to you. If you are not sure that a schedule you are considering will meet the required minimum distribution requirements when you turn 70 $\frac{1}{2}$, please contact Investor Services at 1-800-669-7400 and ask us to test the schedule before you select it.

Direct Transfer to a Vantagepoint IRA with ICMA-RC

You have the option of transferring your ICMA-RC 457 plan assets to a Vantagepoint Traditional IRA. Please see the "Transferring to a Vantagepoint Traditional IRA Section" in this packet for details.

Assets may also be transferred to (1) an ICMA-RC 457 plan with another employer, (2) an ICMA-RC 401 plan with another employer, or (3) another plan provider with whom you maintain an IRA, 401 plan, 403(b) plan, or 457 plan account. If you want to transfer assets to a plan other than a Vantagepoint IRA, please contact Investor Services at 1-800-669-7400 to obtain the proper forms.

A direct transfer to a Vantagepoint Traditional IRA or any of the other plans referenced immediately above is not subject to the 20% withholding tax.

Please note that if you transfer your 457 assets to an IRA, 401 plan, or 403(b) plan, the assets transferred will be subject to a 10% early withdrawal penalty if withdrawn from the plan prior to age 59 ½, unless another exception to the penalty applies.

PAYMENT DELIVERY OPTIONS

Depletion Order

When selecting periodic installment payments, you have the option of specifying the order of investments from which to liquidate your funds. You may select a maximum of three (3) funds. After the account balance of your third fund is depleted, your withdrawals will be prorated across all of your remaining funds.

Direct Deposit

ICMA-RC provides for direct electronic deposit of recurring periodic installment payments to the accounts of participants' financial institutions—a more secure, more timely, and easier method provided at no cost to you. By electing this option through the *Direct Deposit Authorization Form*, you will direct ICMA-RC to electronically deposit your periodic payment directly into your checking or savings account on the same day we mail checks to other participants. Your payment will be available to you three to five days earlier than if you waited for a mailed check that could be damaged or delayed, could arrive while you are away from home, and could result in the inconvenience of standing in line at your bank.

Incorrect or incomplete information will delay processing of your request. Please note that direct deposits must go through a "pre-note" process (i.e., test transmission with your bank) before you receive your payments. We strive for a successful test transmission prior to your first payment date, but this may not always be possible. If problems are encountered and are not resolved prior to your first payment, you will receive a check rather than an electronic deposit. Please contact Investor Services for additional information.

Currently ICMA-RC cannot directly deposit lump-sum or one-time payments. However, if you want to have your payment mailed to a financial institution you may use the direct deposit form in order to give ICMA-RC instructions on where to mail your payments. If you do not want your payment mailed to your financial institutions, please do not submit the direct deposit form for your lump-sum or one-time payment.

SPECIAL CIRCUMSTANCES

Multiple Accounts

If you have more than one ICMA-RC account with different employers, you can either choose the same payout schedule for all accounts or you may establish different payout schedules for each account. You will receive a separate check/direct deposit for each account. Separate *457 Withdrawal Forms*, each approved by the respective employer for the initial request, must be submitted to initiate disbursement from each account.





Before you retire, you may consolidate previous 457 accounts into the one with your current employer to avoid multiple account maintenance fee charges (if applicable). After you separate from service with an employer, the employer will typically not allow you to consolidate assets from your other retirement plans into the plan the employer sponsors. However, you may consolidate your 457 accounts after you retire by rolling over the account balances into an IRA.

Balances of less than \$5,000

Small Balance Account Distributions

Balances of less than \$1,000 - Automatic Distribution - If your account balance including earnings is less than \$1,000 and your account has not received contributions for at least 2 years, your account will be distributed to you as soon as administratively possible, in a lump-sum. You will not have the option of keeping your assets in the account. However, you may be able to transfer the funds directly to another employer retirement plan or an Individual Retirement Account (IRA). See the *Special Tax Notice Regarding Plan Payments* included with this packet.

Balances of \$5,000 or less - Voluntary Distribution - You may be eligible, if permitted under the terms of your employer's plan, to take a distribution of your account while you are still employed if your balance is \$5,000 or less and your account has not received contributions for at least two years. The small account distribution option feature may not be available under the terms of your employer's plan, so please check with your employer before considering this option. If you confirm that this option is available under your employer's plan, please request a *457 Small Balance Account Distribution Form* from Investor Services at 800-669-7400.

Death benefits

In the event of your death, your beneficiary is eligible to withdraw your deferred compensation account balance. Beneficiaries generally have the option of selecting among the payment forms available through your employer's plan provided the entire benefit will be paid out over no more than ten years.

To initiate a payment request, a beneficiary should submit an employer-approved *457 Beneficiary Withdrawal Form* with a certified or original copy of the death certificate. The *457 Beneficiary Withdrawal Form* and complete details on beneficiary distributions is included in the *457 Beneficiary Withdrawal Packet* that is available by contacting ICMA-RC at 1-800-669-7400.

Loans

Special provisions exist regarding applicability of withholding to loans either in default or deemed in default. Contact ICMA-RC's Investor Services Division for more information.

Domestic Relations Orders

A Domestic Relations Order (DRO) is an order issued by a court, usually in connection with a divorce or legal separation. In the event of a DRO, the spouse or former spouse is considered an "alternate payee." If the payment is being made to an alternate payee, the alternate payee may choose a direct payment to an employer plan that accepts rollovers or to an IRA. A direct rollover is not subject to 20 percent withholding. If the payment is made directly to the alternate payee it may be subject to 20 percent withholding. Please consult the *Special Tax Notice Regarding Plan Payments*.

Please send ICMA-RC's Legal Department a copy of the domestic relations order awarding the alternate payee all or a portion of your account. Please note that the enclosed *457 Deferred Compensation Plan Benefit Withdrawal Form* cannot be used for purposes of distributing your account due to a domestic relations order. Please contact Investor Services at 1-800-669-7400 to obtain the *457 Deferred Compensation Plan Withdrawal for Domestic Relations Orders* form.

IMPORTANT INTERNAL REVENUE SERVICE INFORMATION

Tax Withholding

Federal Withholding

The Internal Revenue Code provides that if your distribution is considered an “eligible rollover distribution” [e.g. amounts distributed from a 401, 403(b), 457 or IRA], the distribution will be subject to 20 percent federal income tax withholding unless you have the payment transferred directly to another employer’s plan [i.e. 401, 403(b) 457 or IRA]. Please consult the *Special Tax Notice Regarding Plan Payments* to determine whether your withdrawal is subject to the rollover distribution provision and 20 percent withholding requirement.

Eligible vs. Non-Eligible Rollover Distributions

The following types of payments are not eligible for direct rollover and thus are not subject to 20 percent federal income tax withholding:

- **Payments made over long periods of time** - you cannot roll over a payment if it is part of a series of equal or almost equal payments that are made over
 - Your life expectancy (or joint life expectancy with beneficiary),
 - A period of ten years or more.
- **Required Minimum Distributions** beginning when you reach age 70 ½ or retire, whichever is later.
- **Emergency Withdrawals** - distributions from your account based upon an immediate and heavy financial need.

All other payments from your account are considered to be eligible rollover distributions (subject to 20% federal income tax withholding). If any portion of an eligible rollover distribution is paid to you directly instead of paid in a direct rollover, ICMA-RC is required by law to withhold 20% of that amount.

If your payment is **not** considered an eligible rollover distribution and thus not subject to 20% federal income tax withholding, ICMA-RC will withhold taxes on your withdrawals according to your Form W-4P’s instructions. ICMA-RC will honor a Form W-4P requesting no withholding unless you are a nonresident alien. If you request no withholding, you may need to meet IRS requirements for payment of estimated taxes by year-end.

If you do not submit a Form W-4P and your distribution is **not** an eligible rollover distribution, ICMA-RC will withhold taxes according to IRS requirements, using a filing status of married claiming three exemptions.

Please add your employer’s plan number and name to the bottom of IRS Form W-4P. If you want a fixed amount withheld from your withdrawal, complete line 3 and write “Fixed Amount” on IRS Form W-4P.

State Withholding

ICMA-RC withholds taxes for states which require withholding from qualified plan withdrawals and will honor requests for withholding in other states when a participant submits the proper withholding forms.





Participants are cautioned that income taxation of payments from qualified pension plans vary from state to state. You should seek state tax advice from the appropriate state department of revenue.

IRS Penalty Taxes

10 percent tax penalty on premature withdrawals under IRC Section 72(t)

Assets that are transferred from 401, 403(b), 457 or Traditional IRA accounts into your 457 plan are accounted for separately and are subject to 10 percent early distribution tax if withdrawn from your account prior to age 59 ¹/₂ (unless an exception applies). These assets are not protected from the early distribution tax even though they are consolidated under your 457 account. If you receive payments or an "early withdrawal" prior to age 59 ¹/₂, you may owe a 10 percent penalty tax to the IRS in addition to the tax normally paid on that amount. Please consult the *Special Tax Notice Regarding Plan Payments*.

ICMA-RC does **not** withhold any portion of your payment to cover the 10 percent penalty. The calculation and payment of the penalty for a premature distribution are your responsibility and will be carried out in the process of filing your IRS Forms 1040 and 5329.

A useful source of information for all participants who make withdrawals from qualified plans is the current year's version of IRS Publication 575, *Pension and Annuity Income*.

50 percent excise tax on failure to take required minimum distribution

Beginning with the year you turn 70 ¹/₂ or retire (whichever is later), you are required to withdraw a minimum amount from your account annually. The minimum is based on your account value and the joint life expectancies of you and your named beneficiary. If you fail to comply with the minimum requirement, you will be subject to a 50 percent excise tax on the difference between the minimum required distribution and the amount actually paid to you.

Working Beyond Age 70 ¹/₂

If you work beyond age 70 ¹/₂ for the employer sponsoring your plan, your benefits do not need to begin at age 70 ¹/₂. When you stop working for that employer, your benefits from that plan must begin no later than April 1 of the calendar year following your retirement.

YOUR WITHDRAWAL REQUEST

Processing Procedures

Properly completed payment requests will be paid according to the payment schedule and method you select. The law currently requires you to wait a "reasonable period" (currently 14 days) after receiving the information in this packet before beginning to receive distributions from your 457 Deferred Compensation Plan. You may waive the requirement to wait for payments to begin in Part 6(b) of the withdrawal form.

Installment payments will be sent on the Wednesday following the first, second, third or fourth Tuesday of each month following the 14-day minimum waiting period (unless waived). One-time payments will be distributed two days after a complete form is received, providing the 14 days minimum waiting period is waived.

Requests for withdrawals should be made on the *457 Deferred Compensation Plan Benefit Withdrawal Form*. All parts of the form must be completed as directed. Your employer must approve and sign the form prior to sending it to ICMA-RC if this is your initial request for withdrawal from this account. Failure to do so could delay processing. If you do not have a form, contact Investor Services, toll-free at 1-800-669-7400.

Beneficiary Designation

It is extremely important that you have designated the appropriate beneficiary(ies) for your 457 account. We would like to encourage you to update your beneficiary(ies). Please fill out the *457 Designation of Beneficiary Form* found in this packet and submit with your withdrawal request to ICMA-RC.

Mailing Instructions

Completed forms should be sent to the following address unless transferring money to a Vantagepoint IRA:

ICMA Retirement Corporation
P.O. Box 96220
Washington, DC 20090-6220

If transferring to a Vantagepoint IRA, please see the "Transferring to a Vantagepoint IRA" section in this packet for details.

Faxes must be received by 12:00 noon ET to be effective that business day.



- Use this form to schedule and/or request a withdrawal from your retirement account.
- This is a three-page form. Please complete each page. Please print legibly in blue or black ink.
- Please complete parts 1 and 2 and then proceed as directed.

VP



ICMA Retirement Corporation • Attn.: Records Management Unit • P.O. Box 98150 • Washington, DC 20090-8150 • Toll Free 1-800-326-7060

457 DEFERRED COMPENSATION PLAN
BENEFIT WITHDRAWAL FORM - PAGE 2 OF 3

ICMA Retirement Corporation
Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150



Employer Plan Number Employer Plan Name State

Social Security Number Daytime Phone Number

Full Name of Participant

4 Choosing A Payment Schedule (continued)	OPTION C <input type="checkbox"/> Partial payment of \$ _____	OPTION D <input type="checkbox"/> Partial payment of \$ _____ and subsequent installment starting _____ Month Year (You must also complete Option A or B)
	OPTION E <input type="checkbox"/> Lump-sum distribution of entire account balance	
	OPTION F <input type="checkbox"/> Other payment schedule or purchase of an immediate annuity. Call Investor Services at 1-800-669-7400 for assistance. (Please describe): _____ _____ _____	
	DEPLETION ORDER <input type="checkbox"/> If you are selecting a partial or an installment payment (Option A, B, C, D or possibly F) and wish to select the order to redeem your funds, please list those funds below. Please Note: You can only select a maximum of three (3) funds. After the account balance of the third fund listed has been depleted, your withdrawals will be prorated amongst all of your remaining funds. First Fund _____ Second Fund _____ Third Fund _____	
5 Withholding Election	Federal: Complete IRS Form W-4P if your distribution is not an eligible rollover distribution (see <i>Special Tax Notice Regarding Plan Payments</i>). If your distribution is not an eligible rollover distribution and you DO NOT complete the Form W-4P, income tax will automatically be withheld at the rate specified by current Internal Revenue Service requirements WHICH IS THE RATE FOR A MARRIED PERSON WITH 3 EXEMPTIONS. STATE INCOME TAX WITHHOLDING WILL DEPEND UPON STATE RULES. State: Please declare your intended residency state IF DIFFERENT from the state noted under the permanent address section: _____ State <i>If applicable, for state withholding obtain and submit a state withholding form, or clearly indicate your preference on a second federal Form W-4P.</i> State tax withholding forms equivalent to the federal W-4P are available in most cases via the Internet. Your employer's Human Resources Department should also have forms available to you.	
6 (a) Participant Signature	I acknowledge that I have received and reviewed a general description of distribution rights and the <i>Special Tax Notice Regarding Plan Payments</i> within the 90-day period ending on my proposed beginning payment date as specified in Part 2. As required by law and under penalty of perjury, I certify that the Social Security Number (Taxpayer Identification Number) I provided is correct. Participant Signature: _____ Date: _____ Month Day Year	
6 (b) Participant Signature	I hereby waive the 14-day waiting period required under §§402(f), and 457(d)(1)(C) of the Internal Revenue Code. Participant Signature _____ Date: _____ Month Day Year	

Important: Remember to print legibly in black or blue ink.

ICMA Retirement Corporation
Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150



Social Security Number

Daytime Phone Number

Area Code

Full Name of Participant

Last First M.I.

7 Send Payment To	<p>Send payment to (select only one of the following):</p> <p><input type="checkbox"/> Electronic Direct Deposit (complete the accompanying Direct Deposit Authorization Form)</p> <p><input type="checkbox"/> Permanent Address</p> <p><input type="checkbox"/> Alternate address (mailing address different from permanent address): _____ City _____ State ____ Zip Code _____ - _____</p> <p><input type="checkbox"/> Check mailed to Financial Institution Bank/Institution Name: _____ Address: _____ City _____ State ____ Zip Code _____ - _____</p>
8 Employer Authorization For Employer Use Only	<p>Authorized Signature _____</p> <p>Name of Authorizing Official (Please Print) _____</p> <p>Authorizing Official's Title _____</p>

ICMA Retirement Corporation • Attn.: Records Management Unit • P.O. Box 98150 • Washington, DC 20090-8150 • Toll Free 1-800-326-7060

457 Direct Deposit Authorization Form



ICMA Retirement Corporation
Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150



- Use this form to have your benefit payments directly deposited into your bank account.
- Please complete a separate form for each employer plan account.

1 Payee Information	<div>Employer Plan Number <input type="text"/> Employer Plan Name <input type="text"/> State <input type="text"/></div> <div>Social Security Number <input type="text"/> Daytime Phone Number <input type="text"/></div> <div>Full Name of Participant Last <input type="text"/> First <input type="text"/> M.I. <input type="text"/></div> <div>Mailing Address/Street: <input type="text"/></div> <div>City: <input type="text"/> State: <input type="text"/> Zip Code: <input type="text"/></div>
2 Type of Authorization	<p>Select only one box</p> <p><input type="checkbox"/> Initial Authorization <input type="checkbox"/> Other _____</p> <p><input type="checkbox"/> Change</p> <p><input type="checkbox"/> Cancellation of Authorization (All future payments will be mailed to the permanent address listed above.)</p>
<div>Please attach a voided check or deposit slip here.</div> 3 Account Information	<p>Note that electronic direct deposit is currently not available for lump or one-time payments. If you complete this form for your one-time payment we will mail a check directly to your financial institution.</p> <p>Please contact your bank to confirm this information. Incorrect information will delay electronic deposit processing. Also, please note that the first payment may be issued as a check rather than an electronic deposit. All subsequent deposits will be completed electronically. Please attach a voided check or deposit slip.</p> <div>Financial Institution's Routing Number <input type="text"/> Financial Institution's Telephone Number <input type="text"/></div> <div>Type of Depositor Account <input type="checkbox"/> Checking <input type="checkbox"/> Savings</div> <div>Depositor Account Number <input type="text"/></div> <p>(See reverse side for a sample to help you locate your account number on your check or deposit slip.)</p> <div>Name of Financial Institution <input type="text"/></div> <div>Address: <input type="text"/></div> <div>City <input type="text"/> State <input type="text"/> Zip Code <input type="text"/></div>
4 Participant/ Beneficiary Authorization	<p>I hereby authorize the VantageTrust Company (hereinafter called the "Trust") to credit the above referenced account for any amount owed to me for retirement benefit payments. This authorization agreement is to remain in full force and effect until the Trust has received written notification from me of its termination in such time and in such manner as to afford the Trust and depository a reasonable opportunity to act on it. This authorization agreement may also be terminated by the Trust.</p> <p>In the event that the Trust notifies the bank that funds to which I am not entitled have been deposited to my account inadvertently, I hereby authorize and direct the bank to return said funds to the Trust as soon as possible.</p> <div>Participant/Beneficiary Signature <input type="text"/> Date <input type="text"/></div>

IMPORTANT-REMEMBER TO PRINT LEGIBLY IN BLACK OR BLUE INK

457 Direct Deposit Authorization Form Instructions



Most of the information needed to complete the account information boxes can be found as follows:

- A. Be sure current address is shown
- B. Financial institution's routing number for direct deposit. Please call your bank to verify this number is correct for direct deposit. If the number is not correct, it will result in delays.
- C. Your account number

VOID

JOHN AND JANE DOE
1234 Main Street
Anytown, WA 11111

345
12-345/678

19

Pay to the order of \$

Dollars

First National Bank
of Anytown, WA
Anytown, WA 11111

Memo

I:123456789 I: 123 456 7" 345

VOID

JOHN AND JANE DOE
1234 Main Street
Anytown, WA 11111

DEPOSIT TICKET

Date 19

First National Bank
of Anytown, WA
Anytown, WA 11111

Account Deposit

	Dollars	Cents
Cash		
List Checks Singly		
Total From Other Side		
Total		
Less Cash Received		

12-345/678

I:123456789 I: 123 456 7" 345

457 DESIGNATION OF BENEFICIARY FORM

- Use this form to designate your beneficiary(ies) for your retirement account.
- Please complete a separate form for each employer plan account.



ICMA Retirement Corporation
Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150



1 Participant Information	Employer Plan Number _____	Employer Plan Name _____	State _____
	Social Security Number _____	Daytime Phone Number _____ Area Code _____	
2 Beneficiary Designation	Full Name of Participant _____ Last _____ First _____ M.I. _____		
	Your designation of beneficiary(ies) tells us who should receive the accumulated value of your account if your death should occur before completing distribution of your account. If no primary beneficiary(ies) lives longer than you, benefits will be paid to your contingent beneficiary(ies). If none of your primary or contingent beneficiaries are living at the time of your death, the proceeds will be paid to your estate. If this form is not signed, the beneficiary(ies) designation you select will not be valid. If a valid form is not filed, benefits will be paid to your estate at the time of your death.		
	PLEASE NOTE: If a Social Security number is not provided and RC cannot locate the named beneficiary, the account balance will be paid to your estate.		
	Primary Beneficiary(ies):		
	Name: _____	Relationship: _____	
	Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%
	Name: _____	Relationship: _____	
	Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%
	Name: _____	Relationship: _____	
	Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%
Name: _____	Relationship: _____		
Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%	
Contingent Beneficiary(ies)			
Name: _____	Relationship: _____		
Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%	
Name: _____	Relationship: _____		
Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%	
Name: _____	Relationship: _____		
Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%	
Name: _____	Relationship: _____		
Social Security Number: _____	Birthdate: ____/____/____	% of Benefit: _____%	
If needed, please write additional beneficiaries on a separate piece of paper and attach it with this form.			
3 Participant Authorization	Participant's Signature: _____		Date: _____

IMPORTANT-REMEMBER TO PRINT LEGIBLY IN BLACK OR BLUE INK

VP

4 Illustrations Desired	<div style="margin-bottom: 10px;"> <input type="checkbox"/> Purchase of a Qualified Joint and Survivor Annuity. NOTE: Complete above beneficiary information in Part 2(a). RC will use a current rate to illustrate benefit. </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> One time lump-sum </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> Regular basis until account is exhausted (Choose one) <div style="margin-left: 20px;"> 1. Specify frequency (monthly, annual, etc.) _____ 2. Specify dollar amount of each payment: _____ </div> </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> Specific number of years <div style="margin-left: 20px;"> 1. Specify frequency (monthly, annual, etc.): _____ 2. Specify number of years: _____ </div> </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> Payments over your determined life expectancy <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="margin-left: 20px;"> Specify frequency (monthly, annual, etc.): _____ </div> <div style="text-align: right;"> Date of Birth: <div style="display: flex; justify-content: flex-end; gap: 10px;"> <div style="text-align: center;">_____ Month</div> <div style="text-align: center;">_____ Day</div> <div style="text-align: center;">_____ Year</div> </div> </div> </div> </div> <div style="margin-bottom: 10px;"> <input type="checkbox"/> Equal payments over joint life expectancy. NOTE: Complete above beneficiary information in Part 2(a). Specify frequency (monthly, annual, etc.): _____ </div> <div> <input type="checkbox"/> Purchase of an annuity other than a Qualified Joint and Survivor Annuity. Specify type: _____ </div>
--	--

ICMA Retirement Corporation • Attn.: Records Management Unit • P.O. Box 98150 • Washington, DC 20090-8150 • Toll Free 1-800-326-7060

Transferring to a Vantagepoint Traditional IRA

GENERAL INFORMATION

Introduction

Effective January 1, 2002, participants in a 457 deferred compensation plan ("457 plan") are able to transfer or roll their 457 plan assets into different types of retirement plans. This means that when you leave your employer, you may move your 457 plan assets to another (1) 457 plan, (2) 401 plan, or (3) 403(b) plan as well as (4) a Traditional IRA. This section only provides the information necessary to move your 457 assets into ICMA-RC's Vantagepoint IRA. If you would like to move your 457 plan assets to any other type of plan, please call Investor Services at 1-800-669-7400 to request the proper forms.

Issues to Consider Before Moving Your 457 Plan Assets to an IRA

Following are some of the issues you should consider before determining whether moving assets from your 457 plan to an IRA is the best choice for you when you leave your employer. In addition, you may want to consult a tax or financial adviser prior to making a transfer.

- **Early Withdrawal Penalty:** Assets you receive as a result of a withdrawal from a 457 plan will not be subject to the 10 percent penalty on withdrawals made before age 59 1/2. However, if you move 457 assets to an IRA and then withdraw those assets from the IRA prior to reaching age 59 1/2, you will be subject to the 10 percent penalty. If you think you will need to take a withdrawal before you reach 59 1/2, you may want to consider leaving your assets in your 457 plan account.
- **Convenience/Asset Consolidation:** Some participants move their 457 plan assets to a Traditional IRA to consolidate all of their retirement assets in one place and receive one account statement. Note that ICMA-RC offers combined statements so you will receive a statement that summarizes the information for all of your different accounts types (e.g. 457, IRA).
- **Investment Choices:** Some individuals want to move their 457 plan assets to an IRA so they can invest in a certain investment option that is not available under their 457 plan. ICMA-RC's Vantagepoint IRA offers a vast array of investment choices, including VantageBroker, our self-directed brokerage investment option as well as many of the same investment choices made available under your ICMA-RC 457 plan. (Please see below.)
- **Fees:** Before moving your 457 plan assets into an IRA, you should consider the level of fees that you will pay under each type of plan. Under a Vantagepoint IRA you do not pay an asset-based plan administration fee. ICMA-RC can provide you information on the fees to which your ICMA-RC 457 account is subject. Remember to also consider investment-related fees: information on these fees can be found in the appropriate Retirement Investment Guide or prospectus.
- **Personal Bankruptcy Protection:** Under existing law, a 457 plan may afford you more protection than an IRA in cases of personal bankruptcy. Legislation pending in Congress would reduce this advantage to a large degree.
- **Flexible Withdrawal Options:** Effective January 1, 2002, comparable flexibility will be available for individuals who are withdrawing from a 457 plan and individuals who are withdrawing from an IRA.
- **Tax Withholding:** Under the new law, payments spread over a period less than 10 years from a 457 plan will generally be subject to mandatory 20 percent withholding. These rules do not apply to distributions from an IRA - you may choose whether or not you want any tax withheld from an IRA distribution. Unless you elect otherwise, 10 percent of your IRA distribution will be withheld as federal tax.





For more information, call our Investor Services representatives at 1-800-669-7400. You can also speak to an ICMA-RC Retirement Plan Specialist in your area. Call 1-800-669-7400 to locate the Specialist for your area. Or you can visit ICMA-RC's web site at www.icmarc.org.

THE BENEFITS OF OWNING A VANTAGEPOINT IRA

If you are thinking about moving your 457 assets to a Traditional IRA, ICMA-RC is pleased to offer you the Vantagepoint IRA which offers:

Rapid Transfer Service – Our Investor Services Representatives will assist you in moving your funds directly from your ICMA-RC 457 plan to a Vantagepoint Rollover IRA.

Many Investment Choices – When you open a Vantagepoint IRA, you have access to a wide array of investment choices. Be sure to read the prospectus for a given fund before you invest:

*Vantagepoint Funds** – Many of the same familiar Vantagepoint investment funds you have known through your 457 plan are also available under the Vantagepoint IRA including our proprietary multi-managed funds and low cost index funds. The Vantagepoint Fund lineup also includes:

Vantagepoint Model Portfolio Fund Series: These model portfolios combine allocations of different Vantagepoint Mutual Funds to offer a diversified managed portfolio with specific investment goals at given levels of risk. These models are the same funds available within ICMA-RC 457 plans. They include:

- Savings Oriented Fund
- Conservative Growth Fund
- Traditional Growth Fund
- Long-Term Growth Fund
- All-Equity Growth Fund

Vantagepoint Income Preservation Fund: The Vantagepoint Income Preservation Fund (VIP Fund) is a fixed-income fund ideal for those seeking income and capital preservation. This fund offers competitive market rates while maintaining a high responsiveness to changes in the investment rate environment.

Additional Mutual Fund Choices: Through special partnerships with American Century, Fidelity, Invesco, Janus, MFS, and Putnam mutual funds, ICMA-RC is able to offer some of the best-known mutual fund choices available in the marketplace at very competitive fees. You can also find information on these featured funds on VantageLink, our Internet site at www.icmarc.org.

Self-Directed Brokerage: Through our VantageBroker** program, you have access to over 350 mutual fund families and thousands of mutual funds as well as access to individuals stocks and bonds. There is a minimum account balance required to participate in this program. For more information, please obtain the *Broaden Your Horizons* brochure by calling Investor Services at 1-800-669-7400.

Please see the Vantagepoint IRA Funds brochure in this packet for more details on your Vantagepoint IRA investment choices.

Low Fees – ICMA-RC works to keep your costs low. We charge a simple \$25 annual account maintenance fee (no more than \$50 for multiple IRAs) for each Vantagepoint IRA that you open. Fees can be paid by check or deducted from your IRA. Many investors qualify for a fee waiver by meeting certain requirements. For example, fee waivers are provided if (1) your total Vantagepoint IRA assets exceed \$25,000 (2) your total assets invested with ICMA-RC and its affiliated companies exceed \$50,000 or (3) your household's total assets with ICMA-RC exceed \$100,000. (See the *Vantagepoint Traditional Individual Retirement Account Disclosure Statement* for details).

Account Access When You Want It – You can access your Vantagepoint IRA account information through our automated telephone service, VantageLine, or through the Internet 24 hours a day, seven days a week. The number for VantageLine is 1-800-669-7400. ICMA-RC VantageLink web site is at www.icmarc.org. In addition, you can call our Investor Services representatives during business hours.

A Corporation You Trust – As the leader in providing retirement plans exclusively to the public sector, we understand the special retirement savings needs you have as a public sector employee.

IMPORTANT TRADITIONAL IRA INFORMATION

The minimum initial amount needed to open a Vantagepoint Traditional IRA account with a transfer from your 457 plan account is \$1,500.

The following types of qualified plan distributions cannot be invested (either through a rollover or a direct transfer) in a Vantagepoint Traditional IRA:

Payments Spread Over Long Periods: You cannot move a payment if it is part of a series of equal (or almost equal) payments made at least once a year which will last for your life expectancy, the life expectancy of you or your beneficiary, or a period of 10 years or more.

Required Minimum Payments: Beginning in the year you reach 70 1/2, a certain portion of your payment cannot be moved because it is a "required minimum payment" that must be paid to you.

Emergency Withdrawals: Emergency withdrawals from 457 plans cannot be moved to a Traditional IRA.

Please contact ICMA-RC for more information on the types of assets that are eligible to be moved to a Traditional IRA.

If you have any questions about establishing your Vantagepoint Rollover IRA, please contact our Investor Service representatives at 1-800-669-7400 for assistance.

* Please read the specific fund's current prospectus carefully prior to investing any money and for a summary of fees, expenses and any trading restrictions. The prospectus is included in this packet or available online at www.icmarc.org or by contacting us directly at 1-800-669-7400.

**ICMA Retirement Corporation provides plan administration and access to UVEST Investment Services, member NASD/SIPC. UVEST Investment Services provides brokerage services. Securities are offered by UVEST Investment Services. These two entities are not affiliated. Please consult the current Commissions Schedule for transactions costs associated with individual investment products. Vantagepoint Funds are distributed by ICMA-RC Services, LLC, a controlled broker-dealer affiliate of the ICMA Retirement Corporation, member NASD and SIPC.





IT'S EASY TO MOVE YOUR 457 PLAN ASSETS TO A VANTAGEPOINT IRA

If you are interested in establishing a Vantagepoint IRA with ICMA-RC:

Step 1: Select your investment options. Consult the *Vantagepoint IRA Funds Brochure*, *IRA Fund Options Sheet*, and *Vantagepoint Funds Prospectus* included in this package.

Step 2: Read the appropriate legal disclosures:

- ✓ *Special Tax Notice Regarding Plan Payments* – contains information on tax implications of moving your 457 plan assets to a traditional IRA
- ✓ *Vantagepoint Traditional Individual Retirement Account Disclosure Statement*
- ✓ *Individual Retirement Custodial Account Agreement – Vantagepoint Traditional IRA*
- ✓ *Vantagepoint Funds Prospectus*

Step 3: Complete the *Vantagepoint Traditional IRA Transfer Form*

Step 4: Completed forms should be sent to the following address:

Vantagepoint Transfer Agents
P.O. Box 17010
Baltimore, MD 21297-1010

If you would like assistance in directly transferring your 457 plan assets into a Vantagepoint Traditional IRA, please contact our Pension Portability Unit at 1-800-669-7400 before completing any forms.

If you would like to transfer your 457 assets to: (1) an ICMA-RC 457 plan with another employer, (2) an ICMA-RC 401 plan, or (3) another plan provider with whom you maintain an IRA, 401 plan, 403(b) plan, or 457 plan account, please contact Investor Services at 1-800-669-7400 to obtain the proper forms. You should also call Investor Services for information about Emergency Withdrawals and Small Balance Account ("De Minimis") Withdrawals.

Vantagepoint Traditional IRA Direct Transfer Form



ICMA Retirement Corporation
Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150



- Use this form to transfer your ICMA-RC 457 plan assets to a Vantagepoint Traditional IRA account with ICMA-RC.

1 Personal Information - <i>(All information must be completed.)</i>	<div>Full Name of Participant Last _____ First _____ M.I. _____ Date of Birth _____ - _____ - _____ Month Day Year</div> <div>Social Security Number _____ - _____ - _____ Last Day of Employment: _____ - _____ - _____ Month Day Year Work Phone Number _____ - _____ - _____ Area Code Gender <input type="checkbox"/> M <input type="checkbox"/> F</div> <div>Mailing Address/Street: _____ Apt. # _____ City: _____ State: _____ Zip Code: _____ Home Phone Number _____ - _____ - _____ Area Code</div> <div><input type="checkbox"/> Existing Vantagepoint Traditional IRA OR <input type="checkbox"/> New Vantagepoint Traditional IRA <i>(please complete only Sections 3 through 5)</i> <i>(please complete Sections 2 through 5)</i></div>																																													
2 Beneficiary Designations	<p>I hereby designate the person(s) named below as primary and contingent beneficiary(ies) to receive payment of the value of my Vantagepoint IRA upon my death. If there is no primary beneficiary living at the time of my death, the balance is to be distributed to the contingent beneficiary(ies). Payment to beneficiaries will be made according to rules of succession. If you need more space, please attach a separate piece of paper. (Note - Residents of community property states should consult a financial adviser. See back of form for more details.)</p> <table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th>Name</th><th>Relationship to you</th><th>Date of Birth/ Date of Trust</th><th>Social Security Number or Employer Identification Number <small>(for non-individual beneficiaries)</small></th><th>Share %</th></tr></thead><tbody><tr><td colspan="5">Primary Beneficiaries:</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td colspan="4"></td><td style="text-align: right;">(Total = 100%)</td></tr><tr><td colspan="5">Contingent Beneficiaries, if any:</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td colspan="4"></td><td style="text-align: right;">(Total = 100%)</td></tr></tbody></table>	Name	Relationship to you	Date of Birth/ Date of Trust	Social Security Number or Employer Identification Number <small>(for non-individual beneficiaries)</small>	Share %	Primary Beneficiaries:					_____	_____	_____	_____	_____	_____	_____	_____	_____	_____					(Total = 100%)	Contingent Beneficiaries, if any:					_____	_____	_____	_____	_____	_____	_____	_____	_____	_____					(Total = 100%)
Name	Relationship to you	Date of Birth/ Date of Trust	Social Security Number or Employer Identification Number <small>(for non-individual beneficiaries)</small>	Share %																																										
Primary Beneficiaries:																																														
_____	_____	_____	_____	_____																																										
_____	_____	_____	_____	_____																																										
				(Total = 100%)																																										
Contingent Beneficiaries, if any:																																														
_____	_____	_____	_____	_____																																										
_____	_____	_____	_____	_____																																										
				(Total = 100%)																																										
3 Funding Your Vantagepoint Traditional IRA with a Direct Transfer	<p>I wish to transfer my ICMA-RC 457 plan account: Plan Number _____ Employer Name _____</p> <p>Please attach a separate sheet if additional instructions are needed.</p>																																													
4 One-Time Vantagepoint Traditional IRA Investment Allocation	<p>I wish to invest my transferred assets in the following funds. Please refer to the IRA Fund Options Sheet for a list of funds and codes.</p> <p>For standing allocations for future regular IRA contributions call Investor Services at 1-800-669-7400.</p> <table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th colspan="4">ALLOCATION</th></tr><tr><th>Code</th><th>%</th><th>Code</th><th>%</th></tr></thead><tbody><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td></tr><tr><td colspan="4" style="text-align: right;">TOTAL = 100%</td></tr></tbody></table>	ALLOCATION				Code	%	Code	%													TOTAL = 100%																								
ALLOCATION																																														
Code	%	Code	%																																											
TOTAL = 100%																																														
5 Signature	<p>I acknowledge that I have read and agree to the disclosures (see Section 5: Signature) on the back of this form.</p> <div><div>Signature _____</div><div>Date _____</div><div>Your Spouse's Signature <i>(if resident of a Community Property State)</i> _____</div><div>Date _____</div><div> ICMA-RC Services for the Custodian _____</div><div>Treasurer _____</div><div>Title _____</div></div>																																													
6 Employer Authorization For Employer Use Only	<p>By signing, I confirm the last day of employment in Section 1 and the plan number in Section 3.</p> <div>Authorized Signature _____</div> <div>Name of Authorizing Official (Please Print) _____</div> <div>Authorizing Official's Title _____</div>																																													

Retirement Plans Specialist Name _____	Rep Code _____
--	----------------

Vantagepoint Traditional IRA Direct Transfer Form Instructions



Use this form to transfer assets in your ICMA-RC 457 plan account to an ICMA-RC Vantagepoint Traditional IRA.

Please thoroughly read the instructions before completing the form. Please print legibly in blue or black ink.

If you need any assistance in completing the form, please call Investor Services at 1-800-669-7400.

Please return the appropriate completed form(s) as directed above to Vantagepoint Transfer Agents, P.O. Box 17010, Baltimore, MD 21297-1010.

Section 1: Personal Information

Please complete this entire section carefully. **All the information is required to complete your transfer.**

Please indicate if you have an existing Vantagepoint Traditional IRA with ICMA-RC and if so, please complete the existing IRA account type number in the spaces provided. (The IRA account type number is listed on your Vantagepoint IRA statements.)

Section 2: Beneficiary Designation

Your designation of beneficiary tells us who should receive the accumulated value of your Vantagepoint IRA if you die before full distribution of your IRA. If no primary beneficiary lives longer than you do, the benefits will be paid to your named contingent beneficiaries. For example, a married Vantagepoint Traditional IRA holder with children might name his/her spouse as the primary beneficiary and the children as contingent beneficiaries. If none of your named beneficiaries are living or you do not name a beneficiary, the proceeds will be paid to your surviving spouse and in the absence of a surviving spouse, to your estate. If you live in a **community property state**, please check with your financial adviser before completing this section. **Please Note:** If a Social Security Number is not provided and/or we cannot locate the named beneficiary, the Vantagepoint IRA balance will be paid to your surviving spouse if he/she can be located, or if no surviving spouse can be located, to your estate.

Any resident of a community property state (AZ, CA, ID, LA, NV, NM, TX, WA, or WI) who is married should obtain his or her spouse's consent to designate a primary beneficiary other than his or her spouse.

Section 3: Funding Your Vantagepoint Traditional IRA with a Direct Transfer

If you wish to move a portion of your ICMA-RC account please attach a separate sheet and indicate the percentage or dollar amount of each fund you wish to move.

Section 4: One-Time Vantagepoint Traditional IRA Investment Allocation

This allocation will only be used to invest this particular transfer. Future retirement plan transfers will be invested according to the instructions provided on future *Vantagepoint Traditional IRA Direct Transfer Forms*. If you do not specify a one-time Vantagepoint Traditional IRA Investment allocation, your transfer will be invested in the Vantagepoint Money Market Fund.

You may allocate your transfer in any combination of funds as long as you use whole percentages. Allocations must total to 100 percent of the assets you are moving. If the allocation total does not add up to 100 percent of the assets you are moving, the remaining assets will be invested in the Vantagepoint Money Market Fund.

Section 5: Signature

Please sign and date this form and mail it in the enclosed envelope to **Vantagepoint Transfer Agents, P.O. Box 17010, Baltimore, MD 21297-1010.**

Note that by signing this application you acknowledge that:

I authorize and request that ICMA-RC make the above referenced direct transfer to my Vantagepoint Traditional IRA.

I acknowledge that I received and reviewed the *Special Tax Notice Regarding Plan Payments*, and I hereby waive the "reasonable waiting period" required under IRS rules regarding payments from my 457 plan.

I hereby agree to indemnify the custodian ICMA-RC (its agents, affiliates, successors and employees) and Investors Bank and Trust, ICMA-RC Services and their affiliates from any and all liability resulting from my failure to meet any IRS requirements.

I hereby adopt the Vantagepoint IRA as indicated in Section 1 and 3 of this application, appointing Investors Bank and Trust Company as Custodian, and ICMA-RC Services or its affiliates to perform the administrative services.

I hereby attest that I have received and read the current Vantagepoint Funds Prospectus or other appropriate prospectus.

ICMA-RC Services has established required procedures for Internet and telephone transfers that include personal identification numbers, recording of instructions, and written confirmations. In the event I choose to transfer funds by Internet or telephone I agree that neither the Custodian nor ICMA-RC Services nor their affiliates, will be liable for any loss, cost, or expense for acting upon any Internet or telephone instructions believed by it to be genuine and in accordance with the required procedures.

I hereby consent to the terms of the *Vantagepoint Traditional IRA Disclosure Statement*, including the information and provisions set forth in this account application and instructions, and to the beneficiary(ies) I have designated in this application.

I certify that this account is being opened with a distribution from an employer-sponsored retirement plan that qualifies for rollover treatment, and I irrevocably elect to treat this contribution as a rollover contribution.

I waive the right to revoke this IRA and certify that I received, read and agreed to the *Vantagepoint Traditional IRA Custodial Account Agreement and Disclosure Statement* at least seven days prior to signing this application and agree to be bound by the terms of the Custodial Agreement of which this application is a part.

As required by law and under penalty of perjury, I certify that the Social Security Number (Taxpayer Identification Number) I provided for myself is correct.

By signing this form you authorize the direct transfer of your ICMA-RC 457 plan account assets to a Vantagepoint Traditional IRA.

Section 6: Employer Authorization

Please have your employer complete this section. Failure to do so may delay the transfer of assets.

ICMA Retirement Corporation's Privacy Policy

Our Privacy Policy.

Protecting your privacy is important to us. In providing financial services and investment products to you, we collect certain nonpublic personal information about you. Our policy generally is to keep this information strictly confidential, and to use or disclose it as needed to provide services to you, or as permitted or required by law or by you. Our privacy policy applies equally to our former customers and investors, as well as individuals who simply inquire about the services or investments we offer. We may change this privacy policy in the future upon notification to you.

Information We Collect.

The nonpublic personal information we have about you includes information you give us when you open an account, invest in The Vantagepoint Funds, or write or call us, such as your name, address, social security number, employment, investment objectives and experience, financial circumstances, and investment transactions and holdings.

Information We Disclose.

We disclose nonpublic personal information about you to our affiliates, and to outside firms that help us provide services to you, for use only for that purpose. We may also disclose nonpublic personal information to nonaffiliated third party financial institutions with which we have established

relationships, such as financial institutions that offer our affinity credit card program, or to other institutions with which we may establish relationships in the future in order to offer select financial products of interest to our customers. You have the right to stop us from disclosing nonpublic personal information about you to these parties, except as permitted or required by law. To do so, call us toll free at 1-800-827-2710.

If you do not notify us that you wish to block disclosure of this nonpublic personal information, we will allow information to be sent to you from all third party financial institutions with which we have established relationships. Currently, ICMA Retirement Corporation has an established relationship with First USA Bank for its affinity credit card program. Before any additional third party relationships are added, they must be approved by the Board of Directors of the ICMA Retirement Corporation. Once approved, ICMA Retirement Corporation will notify you of any additional third party relationships in future publications of this privacy policy.

How We Safeguard Your Information.

We restrict access to nonpublic personal information about you to those persons who need to know it or who are permitted or required by law or by you to receive it. We maintain physical, electronic and procedural safeguards to protect the confidentiality of your information.

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0415

2001

Purpose. This form is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities, including commercial annuities, and certain other deferred compensation. Use this form to tell payers the correct amount of Federal income tax to withhold from your payment(s). You also may use this form to choose **(a)** not to have any income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or **(b)** to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution as explained on

page 3. **Your previously filed Form W-4P will remain in effect if you do not file a Form W-4P for 2001.**

What do I need to do? Complete lines A through G of the **Personal Allowances Worksheet**. Use the additional worksheets on page 2 to adjust your withholding allowances for itemized deductions, adjustments to income, or multiple pensions/more-than-one-income situations. If you do not want any income tax withheld, you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for **yourself** if no one else can claim you as a dependent **A** _____

B Enter "1" if:
 { • You are single and have only one pension; or
 • You are married, have only one pension, and your spouse has no income subject to withholding; or
 • Your income from a second pension or a job, or your spouse's pension or wages (or the total of all) is \$1,000 or less. } **B** _____

C Enter "1" for your **spouse**. But, you may choose to enter -0- if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (This may help you avoid having too little tax withheld.) **C** _____

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return **D** _____

E Enter "1" if you will file as **head of household** on your tax return. **E** _____

F **Child Tax Credit** (including additional child tax credit):

- If your total income will be between \$18,000 and \$50,000 (\$23,000 and \$63,000 if married), enter "1" for each eligible child.
- If your total income will be between \$50,000 and \$80,000 (\$63,000 and \$115,000 if married), enter "1" if you have two eligible children, enter "2" if you have three or four eligible children, or enter "3" if you have five or more eligible children **F** _____

G Add lines A through F and enter total here. **Note:** *This may be different from the number of exemptions you claim on your tax return.* **G** _____

For accuracy, complete all worksheets that apply.

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have more than one source of income subject to withholding or a spouse with income subject to withholding **and** your combined income from all sources exceeds \$35,000 (\$60,000 if married filing jointly), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line G on line 2 of Form W-4P below.

----- Cut here and give the certificate to the payer of your pension or annuity. Keep the top part for your records. -----

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0415

2001

► For Privacy Act and Paperwork Reduction Act Notice, see page 4.

Type or print your full name	Your social security number
Home address (number and street or rural route)	Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code	

Complete the following applicable lines:

- 1 Check here if you **do not want any** Federal income tax withheld from your pension or annuity. (Do not complete line 2 or 3.) ► ☐
- 2 Total number of allowances and marital status you are claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) ► _____
 Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate (Enter number of allowances.)
- 3 Additional amount, if any, you want withheld from each pension or annuity payment. **Note:** *For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2* ► \$ _____

Your signature ► _____

Date ► _____

Deductions and Adjustments Worksheet

Note: Use this worksheet only if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2001 tax return.

- 1 Enter an estimate of your 2001 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2001, you may have to reduce your itemized deductions if your income is over \$132,950 (\$66,475 if married filing separately). Get Pub. 919 for details.) **1** \$ _____
- 2 Enter: $\left\{ \begin{array}{l} \$7,600 \text{ if married filing jointly or qualifying widow(er)} \\ \$6,650 \text{ if head of household} \\ \$4,550 \text{ if single} \\ \$3,800 \text{ if married filing separately} \end{array} \right\}$ **2** \$ _____
- 3 **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter -0- **3** \$ _____
- 4 Enter an estimate of your 2001 adjustments to income, including alimony, deductible IRA contributions, and student loan interest **4** \$ _____
- 5 **Add** lines 3 and 4 and enter the total **5** \$ _____
- 6 Enter an estimate of your 2001 income not subject to withholding (such as dividends or interest) **6** \$ _____
- 7 **Subtract** line 6 from line 5. Enter the result, but not less than zero. **7** \$ _____
- 8 **Divide** the amount on line 7 by \$3,000 and enter the result here. Drop any fraction **8** _____
- 9 Enter the number from the **Personal Allowances Worksheet**, line G, page 1 **9** _____
- 10 **Add** lines 8 and 9 and enter the total here. If you use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4P, line 2, page 1 **10** _____

Multiple Pensions/More-Than-One-Income Worksheet

Note: Complete only if the instructions under line G, page 1 direct you here. This applies if you (and your spouse if married filing a joint return) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from line G, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet) **1** _____
 - 2 Find the number in **Table 1** below that applies to the **lowest** paying pension or job and enter it here **2** _____
 - 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter -0-) and on Form W-4P, line 2, page 1. **Do not** use the rest of this worksheet **3** _____
- Note:** If line 1 is **less than** line 2, enter -0- on Form W-4P, line 2, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year end tax bill.
- 4 Enter the number from line 2 of this worksheet **4** _____
 - 5 Enter the number from line 1 of this worksheet **5** _____
 - 6 **Subtract** line 5 from line 4 **6** _____
 - 7 Find the amount in **Table 2** below that applies to the **highest** paying pension or job and enter it here **7** \$ _____
 - 8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed. **8** \$ _____
 - 9 **Divide** line 8 by the number of pay periods remaining in 2001. For example, divide by 12 if you are paid every month and you complete this form in December 2000. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment **9** \$ _____

Table 1: Multiple Pensions/More-Than-One-Income Worksheet

Married Filing Jointly				All Others	
If amount from LOWEST paying pension or job is—	Enter on line 2 above	If amount from LOWEST paying pension or job is—	Enter on line 2 above	If amount from LOWEST paying pension or job is—	Enter on line 2 above
\$0 - \$4,000	0	47,001 - 55,000	9	\$0 - \$6,000	0
4,001 - 8,000	1	55,001 - 65,000	10	6,001 - 12,000	1
8,001 - 14,000	2	65,001 - 70,000	11	12,001 - 17,000	2
14,001 - 19,000	3	70,001 - 90,000	12	17,001 - 22,000	3
19,001 - 25,000	4	90,001 - 105,000	13	22,001 - 28,000	4
25,001 - 32,000	5	105,001 - 115,000	14	28,001 - 40,000	5
32,001 - 38,000	6	115,001 and over	15	40,001 - 50,000	6
38,001 - 42,000	7			50,001 - 65,000	7
42,001 - 47,000	8			65,001 - 80,000	8
				80,001 - 105,000	9
				105,001 - and over	10

Table 2: Multiple Pensions/More-Than-One-Income Worksheet

Married Filing Jointly		All Others	
If amount from HIGHEST paying pension or job is—	Enter on line 7 above	If amount from HIGHEST paying pension or job is—	Enter on line 7 above
\$0 - \$50,000	\$440	\$0 - \$30,000	\$440
50,001 - 100,000	800	30,001 - 60,000	800
100,001 - 130,000	900	60,001 - 120,000	900
130,001 - 250,000	1,000	120,001 - 270,000	1,000
250,001 and over	1,100	270,001 and over	1,100

Additional Instructions

Section references are to the Internal Revenue Code.

When should I complete the form? Complete Form W-4P and give it to the payer as soon as possible. Get **Pub. 919**, *How Do I Adjust My Tax Withholding?* to see how the dollar amount you are having withheld compares to your projected total tax for 2001.

Multiple pensions/more than one income. To figure the number of allowances you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding will usually be more accurate if you claim all allowances on the Form W-4P for the largest source of income subject to withholding.

Other income. If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using **Form 1040-ES**, Estimated Tax for Individuals. Call 1-800-TAX-FORM (1-800-829-3676) to get Form 1040-ES and **Pub. 505**, *Tax Withholding and Estimated Tax*. You can also get forms and publications at the IRS Web Site at **www.irs.gov**.

Note: *Social security and railroad retirement payments may be includible in income. See **Form W-4V**, Voluntary Withholding Request, for information on voluntary withholding from these payments.*

Withholding From Pensions and Annuities

Generally, Federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depends on the kind of payment you receive. Also, because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount to be withheld by using lines 2 and 3 of Form W-4P.

Choosing not to have income tax withheld. You (or in the event of death, your beneficiary or estate) can also choose not to have income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's EIN in the area reserved for "your social security number" on Form W-4P.

However, you may **not** make this choice for eligible rollover distributions (discussed later). Also, this choice does not apply to certain recipients who have payments delivered outside the United States or its possessions. See **Payments Outside the United States** on page 4.

Caution: *There are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see **Pub. 505**. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.*

Periodic payments. Withholding from periodic payments of a pension or annuity is figured in the same manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year. They may be paid annually, quarterly, monthly, etc.

If you want income tax to be withheld, you **must designate the number of withholding allowances on line 2 of Form W-4P**. (Under current law, you cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3.) If you do not want any income tax withheld from your periodic payments, check the box on line 1 of Form W-4P, and submit the form to your payer.

Caution: *If you do not submit Form W-4P to your payer, the payer must withhold on **periodic payments** as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least \$1,280 a month.*

If you submit a Form W-4P that does not contain your correct taxpayer identification number (TIN), the payer must withhold as if you are single claiming zero withholding allowances even if you choose not to have income tax withheld.

There are some kinds of periodic payments for which you **cannot** use Form W-4P because they are already defined as wages subject to income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces and payments from certain nonqualified deferred compensation plans and state and local deferred compensation plans described in section 457. Your payer should be able to tell you whether Form W-4P applies.

For periodic payments, your Form W-4P stays in effect until you change or revoke it. Your payer must notify you each year of your right to choose not to have Federal income tax withheld or to revoke your election.

Nonperiodic payments—10% withholding. Your payer must withhold a flat 10% from nonperiodic payments (but see **Eligible rollover distribution—20% withholding** below) unless you choose not to have income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have income tax withheld from a nonperiodic payment by submitting Form W-4P (containing your correct TIN) to your payer and checking the box on line 1. Generally, your choice not to have income tax withheld will apply to any later payment from the same plan. You cannot use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount you want withheld.

Caution: *If you submit a Form W-4P that does not contain your correct TIN, the payer cannot honor your request not to have income tax withheld and must withhold 10%.*

Eligible rollover distribution—20% withholding. Distributions you receive from qualified pension or annuity plans (e.g., 401(k) pension plans) or tax-sheltered annuities that are eligible to be rolled over tax free to an IRA or qualified plan are subject to a flat 20% withholding. The 20% withholding is

required, and you **cannot** choose not to have income tax withheld for eligible rollover distributions. See Pub. 505 for more details. However, the payer will not withhold income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA, qualified pension plan, or tax-sheltered annuity. Do not give Form W-4P to your payer unless you want an additional amount withheld. Then, complete line 3 of Form W-4P, and submit the form to your payer.

Payments Outside the United States

If you are a U.S. citizen or resident alien receiving periodic or nonperiodic payments that are delivered outside the United States or its possessions, withholding is required. You **cannot** choose not to have income tax withheld on line 1 of Form W-4P.

Other recipients, such as nonresident aliens, who have these payments delivered outside the United States or its possessions may choose not to have income tax withheld only if an individual certifies to the payer that the individual is **not** (a) a U.S. citizen or resident alien or (b) an individual to whom section 877 applies (concerning expatriation to avoid tax). The certification must be made in a statement to the payer under penalties of perjury. A nonresident alien who chooses not to have income tax withheld under section 3405 is subject to withholding under section 1441 and should complete **Form W-8BEN**, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, if applicable.

Revoking Your "No Withholding" Choice

Periodic payments. If you previously chose not to have income tax withheld and you now want withholding, complete another Form W-4P and submit it to your payer. If you want income tax withheld at the rate set by law (married with three allowances), write "Revoked" next to the checkbox on line 1 of the form. If you want tax withheld at any different rate, complete line 2 on the form.

Nonperiodic payments. If you previously chose not to have income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1 and submit Form W-4P to your payer.

Statement of Income Tax Withheld From Your Pension or Annuity

By January 31 of next year, your payer will furnish a statement to you showing the total amount of your pension or annuity payments and the total income tax withheld during the year on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request Federal income tax withholding from periodic pension or annuity payments based on your withholding allowances and marital status, (b) request additional Federal income tax withholding from your pension or annuity, (c) choose not to have income tax withheld, when permitted, or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	40 min.
Learning about the law or the form.	25 min.
Preparing and sending the form.	59 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the tax form to this address. Instead, submit it to your payer.



ICMA-RC Services, LLC, a broker-dealer affiliate of the ICMA Retirement Corporation,
member NASD and SIPC.



ICMA RETIREMENT CORPORATION

The Public Sector Expert

Attn.: Records Management Unit
P.O. Box 98150
Washington, DC 20090-8150
1-800-669-7400
www.icmarc.org

PKT570VP-001-200112-C244